


# **Brewer, Distiller and Agent Licences**

## **TERMS and CONDITIONS**

### **A GUIDE FOR LIQUOR LICENSEES IN BRITISH COLUMBIA**

March 2008



### This guide . . .

provides essential information for licensed breweries and distilleries (including cottage breweries and brew pubs) and for agents hired to promote brewery/distillery products. This information does not apply to all licence classes.

Separate guides are available for those holding winery licences (and their agents), and for those with food-primary, liquor-primary, UBrew/UVin, and licensee retail store licences.

For copies of these other guides, please contact us or visit the provincial government website below:

Phone (toll free): 1 866 209 2111

E-mail: [lclb.lclb@gov.bc.ca](mailto:lclb.lclb@gov.bc.ca)

Web site: [www.gov.bc.ca/pssg](http://www.gov.bc.ca/pssg) (under "Liquor Licensing")

**Brewer, Distiller and Agent Licences**  
**Terms and Conditions**  
**A GUIDE FOR LIQUOR LICENSEES**  
**IN BRITISH COLUMBIA**

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# Introduction

## This Guide

This guide outlines the requirements of the Liquor Control and Licensing Act and Regulations for liquor manufacturers and agents (excluding wineries). It also imposes further terms and conditions, in addition to those found in the Liquor Control and Licensing Act and Regulations.\*

Like the requirements contained in the Act and Regulations, these additional terms and conditions – and any further terms and conditions that might be printed on the face of your licence or contained in letters issued to you by the general manager of the Liquor Control and Licensing Branch – must be followed at all times.

### Important!

Please take time to read this guide carefully and make sure your managers and staff are familiar with the information presented here, and with any additional terms and conditions printed on the face of your licence and/or in letters issued by the Liquor Control and Licensing Branch.

As a licensee, it is your responsibility to operate your business so that it complies with the law and with the terms and conditions of your licence.

\*Section 12 of the Liquor Control and Licensing Act provides the general manager with the authority to impose, in the public interest, terms and conditions on licences.

### Please note:

Wherever definitions, words or expressions used in this guide differ from the wording of the Liquor Control and Licensing Act and Regulations, the legislation will prevail.

## Definitions Used in this Guide

"The Act" means the Liquor Control and Licensing Act, the provincial legislation that guides the licensing of establishments that manufacture, store or sell liquor in B.C.

"Agent" or "Licensed Agent" means a liquor manufacturer who markets and sells his or her products off-site, an agent hired by a liquor manufacturer to market and sell the manufacturer's products off-site, and independent agents who promote and sell imported and/or domestic products from a variety of liquor manufacturers.

"The branch" means the Liquor Control and Licensing Branch, the government agency that administers the Act.

"Buy-sell agreement" is a contract between a liquor manufacturer/agent and a bar, pub, restaurant or licensee retail store to promote the manufacturer/agent's products. A buy-sell agreement spells out what the licensees have agreed to and for how long that agreement is to remain in place (it may not exceed 36 months).

"Food-primary" refers to a licensed establishment where the service of food, as opposed to liquor, is the primary focus of the business.

"The general manager" means the general manager of the Liquor Control and Licensing Branch.

"Licensee" refers to any individual, individuals or corporate body that holds a British Columbia liquor licence. The term covers both the licensee of record and any person acting in the place of the licensee, such as a manager or person in charge of a brewery or distillery in the licensee's absence, and staff working in the establishment.

"Liquor-primary" refers to a licensed establishment where the service of liquor, as opposed to food, is the primary focus of the business.

"Manufacturer" or "Liquor Manufacturer" means a manufacturer of liquor products – wine, spirits, liqueurs, cider, coolers and beer (including beer made at cottage breweries and brew pubs) – or the corporate official of a liquor manufacturer.

"Minor" refers to an individual who is under 19 years of age – 19 is the legal drinking age in British Columbia.

"Product voucher" or "Voucher" is a certificate issued by a manufacturer. A customer may take the voucher to a participating licensee retail store and exchange it, at no charge, for the quantity of liquor (a bottle of wine or a dozen cases of beer, for example) specified on the voucher.

"Serving It Right: The Responsible Beverage Service Program" is a self-study course that educates licensees, managers and servers about their legal responsibilities when serving liquor, and provides effective techniques to prevent problems related to over-service.

"Terms and conditions of licence" are requirements of licensees that are set by legislation, regulation or branch policy. All licence terms and conditions must be followed. Not following them may result in enforcement action.

## Updates

Licence terms and conditions change from time to time. We will send out revisions to this guide periodically. In addition, an up-to-date copy is always available on the provincial government website under "Liquor Licensing":

[www.gov.bc.ca/pssg](http://www.gov.bc.ca/pssg)

## Help is available

We understand the challenges you may face as a liquor manufacturer or agent in consistently following B.C.'s liquor laws. You should always feel free to discuss potential enforcement problems with a liquor inspector or another branch employee.

If you have any concerns or questions, please write, telephone or email the Liquor Control and Licensing Branch at:

### Mailing address

PO Box 9292 Stn Prov Govt,  
Victoria, BC V8W 9J8

### Office address

2nd Floor, 1019 Wharf St.,  
Victoria, BC V8W 2Y9

### Email

[lclb.lclb@gov.bc.ca](mailto:lclb.lclb@gov.bc.ca)

### Phone

250 387-1254 in Victoria

### Toll free Phone

1-866-209-2111

A range of helpful information along with licensee guides, application forms and links to the Liquor Control and Licensing Act and Regulations can be found on the provincial government website under "Liquor Licensing":

[www.gov.bc.ca/pssg](http://www.gov.bc.ca/pssg)



# Background: Who is Responsible for What

## The Liquor Control and Licensing Branch

The Liquor Control and Licensing Branch is responsible for regulating and monitoring the sale of liquor in licensed establishments in British Columbia, and for protecting the public from the harm that may be caused by making and selling liquor or products that contain alcohol.

The branch issues and supervises liquor licences, and monitors the activities of all liquor licensees in British Columbia to make sure they are following the rules laid out in the Liquor Control and Licensing Act, its Regulations, and their licence terms and conditions.

To make sure the public has full access to information about liquor licensees in this province, we post summaries of all cases where the branch has recommended enforcement action on our branch web site. For those cases that go to an enforcement hearing, we post the complete text of the decision. (Names of individuals are removed to comply with the requirements of the Freedom of Information and Protection of Privacy Act.)

## Your Role as a Licensee

As a licensee (someone who holds a liquor licence), you are legally responsible for understanding how the Act, its Regulations, and the specific terms and conditions of your licence affect the operation of your establishment or business, and for complying with the Act, its Regulations, and the terms and conditions of your licence.

The term "licensee" covers both the licensee of record and any person acting in the place of the licensee, such as a manager or person in charge of a brewery or distillery in the licensee's absence, as well as any staff working on-site at the brewery or distillery, or off-site at a theme

night, sponsorship event or other promotion. You are therefore responsible for making sure all your employees (including agents and their staff) follow B.C.'s liquor laws and the terms and conditions of your licence, both on- and off-site.

In addition, you must let the branch know about any changes you make to your business (including changes to hired agents or business partners). You must cooperate with liquor inspectors and police, and ensure that the actions of you and your staff do not put liquor inspectors or police at risk or prevent them from carrying out their duties.

**If you do not carry out your legal responsibilities, you could face serious penalties, including the suspension or loss of your licence.**

## The Role of the Liquor Inspector

Liquor Control and Licensing Branch liquor inspectors are located in regional offices across the province. They may make unannounced visits to your place of business at any time to:

- explain the terms and conditions of your licence
- inspect the physical layout of your manufacturing facility – including the retail sales area, sampling room and equipment room – or warehouse
- inspect your legal, financial and business records
- observe and record your business practices, identifying gaps or weaknesses that are likely to lead to non-compliance (to you not following the Act, its Regulations and the terms and conditions of your licence), and

### Please note:

Liquor inspectors are a good resource. They can provide you with both help and advice, and we recommend you get to know your local liquor inspector as soon as possible.

- identify any contraventions of the Act, its Regulations or the terms and conditions of the licence occurring in your establishment.

If a liquor inspector finds you are contravening (not following) the Act, its Regulations or the terms and conditions of your licence, the inspector will issue a Contravention Notice and may recommend that the general manager take enforcement action against you.

## The Role of Police

Police officers may also make unannounced visits to your place of business.

On these visits, they will look for evidence of any liquor contraventions, especially those that could result in disturbances within the community or that could threaten public safety, such as minors in possession of alcohol or illicit liquor. If the police notice a contravention, they will record it on a form called a Licensed Premises Check (LPC), leave one copy with you and send one to the Liquor Control and Licensing Branch.

The branch follows up on all LPCs, and may ask a liquor inspector to conduct a further inspection. If the inspector confirms the contravention, he or she will issue a Contravention Notice and may recommend enforcement action.

## The Role of Local Government and First Nations

A liquor licence is only one requirement in opening a licensed brewery or distillery, or operating as an agent, in British Columbia. Liquor licensees must also deal with local governments on such issues as zoning, building bylaws, business licensing requirements and health and fire regulations. (See the blue pages of your telephone directory for local government, health and fire authorities.)

Local governments are responsible for protecting the peace and good order of their communities and are often the first to learn about problems relating to liquor licensees. The general manager takes very seriously any complaints from local governments that licensees are operating contrary to the public interest and are disturbing people in the surrounding area.



# The Nature of Your Business

## Brewery/Distillery Licence

If you are making beer, spirits or coolers in B.C. you must have a brewery/distillery licence from the Liquor Control and Licensing Branch (and a federal brewery/distillery licence from the Canada Revenue Agency – Excise Duty Pacific Region). The Liquor Control and Licensing Act allows a person to make beer for his or her own consumption, or for consumption by others at no charge, without a licence.

With a manufacturer's licence, you may sell your beer, spirits or coolers off-site to Liquor Distribution Branch (LDB) stores and any other retail stores designated by the LDB, provided you also have an agent's licence (see below).

You may also:

- set aside an area within your manufacturing facility as a sampling room, where you serve free samples to the public for tasting, and
- operate one on-site retail store at your manufacturing site, provided you have an on-site operating agreement with the LDB.

If your company is incorporated under the laws of another province or country, you must be registered as an extra-provincial company doing business in B.C. and you must appoint a resident manager.

## Agent's Licence

There are three kinds of licensed agents in B.C.:

- liquor manufacturers who market and sell their products off-site (an agent's licence is not required for liquor manufacturers who promote and sell their products on-site only, at a retail store or sampling room)
- agents hired by liquor manufacturers to market and sell their products off-site, and
- independent agents who market and sell imported and/or domestic products from a variety of liquor manufacturers.

All agents must be licensed by the Liquor Control and Licensing Branch and must comply with the Act, its Regulations and the terms and conditions of their licence when promoting and selling liquor products.

Agents may hire employees to market and sell liquor products. Agents are responsible for making sure their employees follow B.C.'s liquor laws and the terms and conditions of the agent's licence.

Agents may solicit and receive orders for liquor products only from licensed establishments and appointment stores. Agents and their employees may not sell liquor products directly to the public, or the LDB, nor may they import liquor products directly. (Liquor products may only be imported through the LDB.)

Advertising (including on the Internet) by agents may only be directed to licensed establishments or appointment stores to inform them that the agent may take orders for liquor products produced by the manufacturers the agent represents. Agents may also promote and advertise their products by name and advise the public that the products are available for purchase at authorized liquor outlets.

## Minors

It is against the law to sell, serve, or supply liquor to a minor. If you or an employee does so, your licensing privileges could be jeopardized, and you risk prosecution.

You may not direct any promotional activities or materials to minors. Minors are allowed in your sampling room or store (if you have one) only if accompanied by a parent or guardian. You may not employ minors to sell or serve liquor in these areas.

## Donations

You may not donate your products to a non-profit organization for use at a private event held under a Special Occasion Licence. However, you may give the non-profit organization money to buy liquor for an event provided you keep a record of the:

- name of the non-profit organization
- location, date and purpose of the event
- number of people attending the event, and
- amount of money donated.

Manufacturers and agents must keep strict records of charitable activities.

# Managing Your Business

## Posting Your Licence

You must post your liquor licence certificate in a prominent location at your manufacturing facility or your agent's office to ensure it is immediately available for review by liquor inspectors and police.

## Storing Your Floor Plans

When you first applied for a manufacturer's licence, you submitted your establishment's floor plans for approval. Once they were approved by the general manager, these floor plans became part of your liquor licence. As with the licence certificate, liquor inspectors and the police must have quick and easy access to your approved floor plans.

## Renewing Your Licence

Before we issue your licence, you must pay a prorated annual licence fee. You must also renew your licence and pay any applicable annual licence fees by March 31st of each year. For a manufacturer's licence, the renewal amount varies by type of manufacturer and/or volume of liquor produced. Distilleries pay \$1,100 per year; breweries pay a minimum of \$1,100 per year, based on \$0.11 a hectolitre, multiplied by the total number of hectolitres of malt liquor shipped each year.

The annual fee for an independent agent's licence is \$100 if you do not hold a winery, brewery, or distillery licence.

## Providing Information to the Branch

You must be forthright in providing information to the branch. Making a misleading statement or failing to disclose a material fact (such as the fact that a third party is using your brewery/distillery licence, or that the lease on your property has run out) are licensing contraventions.

## Making Changes to Your Liquor Licence

The details of your liquor licence application – who you are, the name and location of your establishment, etc. – were critical factors in the decision to grant you a licence.

Any changes you make after receiving your licence – including changes to business partners, agents, and mailing address – require the approval of the branch *before* you make the changes. (Please see *Appendix 2* for detailed information about making changes to your licence.)

## Selling Your Business and Transferring Your Licence to a New Owner

To transfer your brewery/distillery licence to a new owner, the new owner must apply to transfer the licence using the Application for a Manufacturer's Licence form (available on the website listed on page 2). As the current licensee, you will need to sign the Agreement to Transfer Licence(s) section of that form – this is where you officially agree that when the general manager approves the transfer application you will relinquish all claims to your licence(s). You also acknowledge that you will continue to be held responsible for any contraventions that occur until the transfer is approved. The new owner can request a change in the name of the business.

The general manager may decide not to approve a licence transfer if the branch is in the process of taking enforcement action against you as the current licensee, or if you have not paid a monetary penalty or served a suspension notice.

## Serving It Right™ : B.C.'s Responsible Beverage Service Program

Serving It Right is a self-study course that educates licensees, managers and servers about their legal responsibilities when serving liquor, and provides effective techniques to prevent problems related to overservice.

Serving It Right must be completed by all licensees and managers. If you are licensed as a public or private corporation, the licensee portion of this requirement is met if any director, officer or employee responsible for controlling the sale of liquor completes the Serving It Right program. If you have a sampling room, all servers must have Serving It Right.

You are responsible for making sure your sampling room servers take Serving It Right. You must keep photocopies of their Serving It Right certificates, ready for inspection by a liquor inspector or police officer at all times.

### Serving It Right:

The course packages, exams and certificate numbers may be obtained from the program:

Phone:  
604-633-9798

Fax:  
604-633-9796

E-mail:  
[info@servingitright.com](mailto:info@servingitright.com)  
or downloaded from website:  
[www.servingitright.com](http://www.servingitright.com)

The *Serving It Right* program is administered by go2 — B.C.'s tourism industry human resources association.

# Advertising Your Products

All your advertising must comply with the Canadian Radio-television and Telecommunications Commission's *Code for Broadcast Advertising of Alcoholic Beverages* and Liquor Control and Licensing Regulations. (Please see Appendix 3 for more on the broadcast code.)

## What You May Advertise

You may advertise your products, provided the products are listed with the Liquor Distribution Branch, and the LDB has approved their labeling and packaging. (The Liquor Control and Licensing Branch does not require pre-approval of advertising; however, the LDB may require your ads to be pre-approved before they are placed in a government liquor store or rural agency store.)

You, as a liquor manufacturer or agent, are liable for all advertising – including merchandise – that bears your corporate name or brand, whether done by you or by someone else on your behalf, and no matter where it is displayed or distributed. You must comply with the Liquor Control and Licensing Branch Regulations and the CRTC Code.

Your ads **may** indicate:

- your brands of beer, spirits or coolers
- the name of your brewery or distillery
- how much you charge for liquor (your liquor prices, including specials)
- your hours of sale
- where your products may be found – at a particular bar or restaurant, for example (you may not, however, advertise the bar or restaurant's entertainment line-up, drink specials, or menu items).

Your ads **may not**:

- encourage people to drink liquor or to drink irresponsibly (you must take this into account if you mention price in your advertising; if your price advertising encourages or results in patrons drinking to excess, we can prevent you from including liquor prices in future advertising)

- show people drinking liquor, or anyone who is either intoxicated or behaving irresponsibly or illegally
- associate liquor with driving
- use pictures of minors (in B.C., that's anyone under the age of 19), or of personalities, images or activities that may appeal to minors
- be directed at minors or placed in locations used or visited mostly by minors, such as video arcades, playgrounds or stadiums that are used primarily for minor sports, such as PeeWee hockey
- depict liquor as:
  - one of life's necessities
  - key to social acceptance or personal success
  - central to the enjoyment of an activity, or
  - a status symbol
- be shown on a theatre screen before a movie, if the movie being presented is primarily for a young audience
- promote contests and tournaments involving wet T-shirts, wet jockey shorts, bare-as-you-dare, or similar themes or activities.

## Where You May Advertise

You may advertise your products anywhere – in newspapers, magazines and periodicals, or on television, radio or the Internet – provided the medium/program/site is not primarily directed at minors.

You may also print pamphlets or brochures to advertise your business; these pamphlets or brochures may include graphics and pictures of your brewery or distillery.

## Signs

Any signs, including signs bearing the name of your brewery/distillery or agent's business, are considered to be advertisements and must comply with the advertising terms and conditions outlined here. Your signs must also comply with local government bylaws.

## Joint Advertising

You may advertise your products in conjunction with non-liquor manufacturers or non-liquor products (such as recipes, glasses or umbrellas), but the ads must comply with the advertising terms and conditions outlined here.

## Complaints About Advertisements

The Liquor Control and Licensing Branch investigates complaints from the public about advertisements by liquor manufacturers and agents.

If we receive a complaint about one of your ads, we will ask you for a copy of the ad. You or your advertising agency must supply the ad upon request.

- If we discover the ad violates the CRTC's *Code for Broadcast Advertising of Alcoholic Beverages*, we will either ask the agency that approved the ad for broadcast – such as Advertising Standards Canada, the Broadcast Clearance Agency, or a similar screening agency – to investigate, or, if the ad was not pre-screened, we will ask you to withdraw the ad and not use it again in future B.C. ad campaigns. We may also take enforcement action, such as suspending your advertising privileges.
- If we discover the ad violates one of our own Regulations or policies, we will issue a contravention notice. If the issue is one of location, we will ask you to withdraw the ad, and/or if the issue is one of content, we will ask you to withdraw the ad and not use it again in future B.C. ad campaigns. We may also take enforcement action, such as suspending your advertising privileges.
- If the complaint involves an issue not covered by the broadcast code or our Regulations, we will refer the complaint to Advertising Standards Canada.
- If you object to a request from us to withdraw an ad, we will schedule an enforcement hearing where you will have the opportunity to defend the ad. (Please see the chapter on *Enforcement* for more on enforcement hearings.)

# Sponsoring Events and Activities

## Where Sponsorships Are Permitted

You may sponsor a wide range of sports and cultural events, activities and organizations. This includes sporting events, such as golf tournaments and sports teams. Licensees and their staff may play on the team, participate in or help out at the event.

Sponsorships are not generally permitted in bars, pubs or restaurants. However, you may sponsor events and activities at licensed:

- sports stadiums
- recreational centres (including ski hills, racquet clubs and bowling alleys)
- concert halls
- university or cultural centres

These events must be time-limited and not part of an on-going relationship with the licensed establishment. They must also be covered under a buy-sell agreement (please see the chapter on *Promoting Your Products with Other Licensees* for more on the buy-sell agreement).

## Requirements

You must notify the branch, in writing, at least 14 days before any sponsored activity or event takes place if the sponsorship is for more than \$1,500 or it involves a licensed establishment.

Your letter/e-mail/fax must:

- describe the nature of the activity or event and the purpose of the sponsorship
- state where and when the event or activity is to take place, and
- provide the name of the licensee, if the event or activity is to be held in connection with a licensed establishment.

In addition:

- You must keep a record of all sponsorship events and activities, including the terms of any agreements related to the sponsorship that you enter into, for at least two years.
- You may not offer liquor as a prize to participants in a sponsored event or activity. If liquor is being served on-site during the event, you may not demand that your products only be served.
- You may advertise the sponsored event or activity, both on-site and off-site, and inside or outside other licensed establishments. If the event is at a licensed establishment, you may name the establishment in your advertising. (Please see the chapter on *Advertising Your Products*, for more information.)
- If you put up signs identifying your brewery or distillery, or products at the event, and liquor is being served on-site, you must also put up signs advocating the responsible use of alcohol at a rate of one responsible-use sign for every three brand/corporate signs. (If you put up only one or two brand/corporate signs, you must put up at least one responsible-use sign.) The responsible-use signs must be as big, as visible and as prominent as your brand/corporate signs, easily seen by both on-site and off-site (television, for example) audiences.

### Important!

You may not sponsor events or activities that primarily involve minors as either participants or audience, or that primarily appeal to minors. This includes junior or minor sports events.

You may, however, ask the branch for permission to sponsor a major national or international event where a majority of the participants are under age 19, but which does not predominantly appeal to minors, such as a national or international junior championship event.

And you may sponsor university or college-related events or activities (either on- or off-campus), provided you have prior approval from the college or university.



# Conducting Market Research

## General Conditions

You may conduct market research yourself or appoint an independent market research agency to conduct market research – such as surveys and taste tests – on your behalf, provided:

- All participants are of legal drinking age (an exception may be made for a survey related to a non-liquor topic, such as responsible-use messaging).
- You do not display brand or corporate advertising at the site of the research, unless the piece of advertising is the subject of the research.

## Surveys

You or an agency hired by you may survey members of a target group about your products, provided:

- The survey is not a promotional scheme designed to obtain direct or indirect advertising for your products, or used to convey potentially disparaging information about another company or product.
- The survey takes place in a market research office, hotel, meeting room, or other location closed to the general public, with one exception: if the survey is limited to a one-on-one question and answer situation, it may be conducted by telephone, or in either a private or public area, such as a shopping mall or on the street.

You or the agency conducting the survey may compensate the respondents for participating in the survey. This may include beer or spirits given as a gift, such as a bottle of the product featured in the survey.

## Taste Tests

You or an agency hired by you may conduct taste tests of both existing products and products not yet available in this province, provided:

- You or the agency supply a staff member to conduct the tests who has completed the Serving It Right course for servers, and that staff member is present throughout the taste tests.
- Respondents participating in taste tests are not permitted to consume samples to the point of intoxication.
- The research takes place in a market research office, hotel, meeting room, or other location closed to the general public.

# Promoting Your Products With Other Licensees

## What You May and May Not Do

The Liquor Control and Licensing Act and its Regulations set out strict rules regarding how you can promote your products with other licensees, including liquor-primary establishments (bars and pubs), food-primary establishments (restaurants) and licensee retail stores.

Some promotional activities are prohibited outright; others are permitted at any time; still others are permitted only if you document them in a "buy-sell agreement" – a contract between you and another licensee to promote your products.

A buy-sell agreement spells out what you and the other licensee have agreed to and for how long that agreement is to remain in place (it may not exceed 36 months). For example, you and a pub enter into a three-month buy-sell agreement where the pub agrees to purchase a certain amount of your beer or spirits in exchange for you running a contest in the pub, with the prize of a weekend ski getaway for two.

A buy-sell agreement must not exclude, restrict or otherwise prohibit a licensed establishment from carrying or selling the products of your competitors.

## Activities Not Permitted

You may not, at any time:

- Offer or give money, gifts, rewards or remuneration to licensees who carry your products. You may not, for example, supply licensees with additional bottles of beer or spirits at either no cost or at a reduced cost.
- Provide any items, products or services to other licensees that are necessary to the operation of their businesses. This includes money, credit or other forms of financial assistance, as well as fixtures, furnishings, products, repair costs, draught lines, glassware, games, refrigerators, shelving or permanent display structures. You also may not rent rooms from another licensee (at a hotel or resort, for example), then leave them unoccupied for the licensee to rent again.
- Pay any portion of a licensee's advertising costs, or advertise a licensee's entertainment line-up, drink specials, or menu items. With the licensee's permission, you can include the licensee's logo in your ads, but you can't demand or receive financial compensation or other consideration in return.
- Provide or pay for entertainment in a licensed establishment.

### IMPORTANT!

Please see *Appendix 4* for a sample buy-sell agreement. You must follow this format or similar, and both you and the licensee must keep a copy of the buy-sell agreement at your place of business for two years after the agreement expires. All buy-sell agreements must include:

- your name and licence number
- the licensee's name and licence number
- start and end dates of your agreement (may not exceed 36 months)
- the terms of the agreement – what you and the licensee have agreed to, including the type, number and retail value of any promotional activities or items conducted or supplied by the manufacturer or agent.

The buy-sell agreement may be signed by you, your agent or sales staff, and by the licensee or the licensee's manager or other person in charge.

# Activities Permitted At Any Time, Without A Buy-Sell Agreement

## Promotional items

You may give promotional items of nominal value, such as coasters, tent cards and posters, to bars, pubs and restaurants to promote your products, provided:

- you do not deliver them (or permit them to be delivered) to anyone under age 19
- the licensed establishment already lists the brand of liquor identified in the promotional materials.

You may give promotional items of nominal value, such as shelf-talkers, ceiling dangles, and product display structures, etc., to licensee retail stores for a specific promotion. These materials must be returned to you at the end of the promotion.

You may sell clothing and novelties – such as shirts, caps, key chains, etc. – with your name or brand to licensees at fair market value at any time, which they may then re-sell to their customers and staff. These items may also display the name or brand of the licensee's establishment.

You may also sell branded glassware (glasses, beer steins, etc.) to licensees at fair market value.

## Value-added promotional items approved for government liquor stores

If you have received approval from the Liquor Distribution Branch (LDB) to offer value-added promotional items in B.C. government liquor stores, you may also provide those same promotional items to licensee retail stores for the same promotion period.

All value-added promotions must follow the Liquor Distribution Branch guidelines outlined in their booklet, *The Beverage Alcohol Promotions Program for B.C. Liquor Stores*.

Under LDB guidelines, value-added promotional items must be of nominal value (they may not exceed 20 per cent of the retail price of the base product), and must be liquor or liquor-related or branded. Items may include:

- "on-packs," where a small bottle of another of your products or an item such as a bottle opener is attached to your beer or spirits
- "in-packs," where an item, such as a T-shirt, is included inside a case of your product, and
- "near-packs," where an item, such as a bag of chips with your brand on it, is placed near or alongside your product and is given away whenever your product is purchased.

Value-added promotions may also include third-party coupons attached to your products by a neck tag or back label, or placed inside a case. These coupons may not be for a rebate or reduction on the purchase price of one of your products, for a free liquor product of any kind, or for cash.

The stores may keep any leftover items at the end of the promotional period and continue to offer them to their customers until they are gone; however, they may not take any promotional items for personal use or future promotions.

You and the manufacturer or agent may advertise these promotions.

## Product vouchers for licensee retail stores

You may provide product vouchers directly to members of the general public, which they can redeem at participating licensee retail stores at no charge. (You may not provide vouchers or coupons redeemable at bars, pubs or restaurants.)

- You must have the store's approval before you hand out a voucher redeemable at that store. (You may not, however, direct your vouchers to just one store or chain of stores; you must arrange to have your vouchers redeemed at more than one store or chain of stores.)

### Size limits for product vouchers:

- **Distilled spirits:** One bottle of the smallest available size per product (750 ml. or greater).
- **Beer/Cider/Coron:** One dozen of the smallest available size bottles or cans (total not exceeding four litres).

- Your vouchers must specify how much liquor is redeemable (a bottle of scotch, for example, or a dozen cans of beer).
- You may specify only one type of liquor (beer, spirits or coolers) per voucher.
- You only (not licensee retail stores or other licensees) may distribute vouchers.
- You may use any method – in person, by mail, etc. – to distribute your vouchers.
- You may not give away product vouchers as prizes.
- Once a voucher is redeemed, you must pay the licensee retail store the full retail price for the quantity of liquor specified on the voucher. You may not pay an additional "redemption fee" to the store for accepting a product voucher.
- You must maintain records of all voucher reimbursements paid to licensee retail stores and make them available for viewing by a liquor inspector at any time.

### Product samples for licensed establishments

You may give product samples to bars, pubs, restaurants and licensee retail stores, to be consumed by the licensee and staff only (not patrons), away from the licensed area of the establishment.

You may provide a maximum of one bottle (or one dozen bottles or cans of beer, cider or coolers) per product per establishment in any one year, and you must keep a record of all samples provided to licensed establishments. This record must include, for each sample, the:

- name of person who received the sample
- name of his/her establishment
- amount of product supplied, and
- date the product was supplied.

### Size limits for product samples:

- **Distilled spirits:** One bottle of the smallest available size per product (750 ml. or greater).
- **Beer, Cider, Coolers:** One dozen of the smallest available size bottles or cans (total not exceeding four litres).

Licensed establishments must enter the product samples in their liquor register. (You may also want to give the establishment a receipt to prove that the sample product is allowed on site, but this is not required.)

### Consumer tastings at a restaurant

You and a restaurant may agree to put on a consumer tasting (also called a taste trial) together, but you must ensure the event does not shift the focus away from food. In addition:

- You and/or the restaurant may advertise the event outside the restaurant.
- You may not charge or accept a fee from the restaurant (or pay the licensee) for conducting the consumer tasting.
- You must purchase all liquor products used in the tasting from the restaurant. The price you pay for the liquor served must be no less than the price the restaurant normally pays for the product and no more than the price the restaurant normally charges its customers.
- The restaurant must issue you (and you must retain) a countersigned receipt for the dollar value of the total amount of liquor and/or food purchased.
- You must be present during the entire period of the consumer tasting, but the restaurant staff must dispense all liquor product.

### Maximum quantities per patron at a consumer tasting:

	SINGLE PRODUCT	MULTIPLE PRODUCT
<b>Restaurant:</b>		
Spirits	10 ml.	20 ml.
Wine/Cider/Beer/Coolers	30 ml.	45 ml.
<b>Licensee Retail Store:</b>		
Spirits	10 ml.	20 ml.
Wine	20 ml.	30 ml.
Beer/Cider/Coolers	30 ml.	45 ml.

The quantities for multiple product tasting apply only where you are presenting more than one product at a single tasting. The quantity for multiple products is a total of all products offered. For example, if you present three kinds of beer, you may offer a maximum quantity of 15 ml. of each to taste.

- You must not leave open containers of liquor unattended at any time.
- You must not serve drinks by the tray load.
- You may not serve minors or anyone who is apparently under the influence of alcohol.
- At the end of the consumer tasting, the restaurant must refund you or your agent for the cost of any beer or wine, cider, coolers, beer or spirits left unopened. The restaurant may return any leftover liquor (opened or unopened) to stock.

#### Consumer tastings at a licensee retail store

You and a licensee retail store may agree to put on a consumer tasting (also called a taste trial) together. It is up to you and the licensee retail store (LRS) to decide when a consumer tasting will take place, and how long it will run. However, all tasting must end 30 minutes before the store closes.

##### Please Note:

This section outlines rules for consumer tastings in licensee retail stores (LRS) only. The rules for promotions in government liquor stores or other private liquor retail stores are similar, but please contact the Promotions Department of the Liquor Distribution Branch for more specific information.

- You and the LRS may advertise the tasting within or outside the store, using promotional materials supplied by you. (Please see the chapter on *Advertising Your Products* for more information.)
- The store may not charge you a rental fee for demonstration space.
- You must provide a server or servers for the consumer tasting; the server may be you or servers hired by you. (You must make sure hired servers are familiar with the rules governing consumer tastings at liquor stores.)
- Servers must not leave open containers unattended.
- You must purchase all products to be tasted from the LRS hosting the event. The price you pay must be no less than what the store paid for the product and no more than the price the store normally charges customers.
- The LRS must issue you (and you must retain) a countersigned receipt for the dollar value of sampled product.
- You may not serve minors or anyone who is apparently under the influence of alcohol.

At the end of the consumer tasting:

- You or the LRS must destroy any poured samples, and empty any unfinished bottles
- You may not remove any opened bottles.
- You may receive a refund for unopened product.

#### Visits to licensed establishments

You may visit bars, pubs and restaurants to promote your products, but there are strict limits on how you must act while you are there.

Mass treating or "buying drinks for the house" is not allowed, and you may not leave money for this purpose. You may, however, join customers at a table and buy a drink for everyone at that table, provided:

- You buy the drinks from the licensed establishment.
- The liquor serving given to each adult customer at one time is not greater than the normal serving for the licensed establishment.
- You pay for each order at the time it is served (you may put the order on a "tab" provided you settle the account before you leave the establishment), and drink prices are the same as the establishment would charge regular patrons.
- You do not treat more than one table at a time, except where the treat involves a bona fide organization, such as a sporting team, arts or cultural club.
- The licensed establishment issues you (and you retain) a countersigned receipt for the dollar value of the product you purchased.
- You do not bring liquor products into the licensed establishment for patrons to sample.

##### Brew Pub Exception:

If you are operating a brew pub, and you have an agent's licence, you may give samples to your customers provided you buy the samples from your brew pub and pay all taxes.



### Hospitality

You may provide hospitality to licensees without a buy-sell agreement, if the cost of the hospitality is less than \$25. Your receipts must be available for review by a liquor inspector on request.

### Contests (running in government liquor stores)

If you have applied for and received approval from the Liquor Distribution Branch to run a contest in government liquor stores, you may also run the same contest at bars, pubs, restaurants and licensee retail stores over the same period of time and with the same promotional materials on display.

#### Please Note:

This section outlines rules for contests that the Liquor Distribution Branch has approved to run in government liquor stores, that you also want to run in bars, pubs, restaurants and licensee retail stores. There are separate rules if your contest is only running in bars, pubs, restaurants and licensee retail stores, or through the media.

You must conduct all contests, install all promotional items, and remove all promotional items within 10 days after the contest has ended. You may include contest entry forms in your print ads, and may mention where entry forms are available in any of your advertising.

### Contests (through the media)

You may also hold contests through the media (such as phone-in radio contests). However, with media contests:

- You must inform potential entrants that they are not required to purchase your product to enter, and they must be of legal drinking age.
- You may not include liquor as a prize.
- Liquor licensees, their employees, Liquor Distribution Branch and Liquor Control and Licensing Branch employees and immediate family members of anyone in these groups are not eligible to enter or win a contest.
- Your employees and their immediate families are also not eligible to enter or win a contest.

## Activities Permitted With a Buy-Sell Agreement Only

### More expensive promotional materials

You may loan more expensive promotional items with your name or brand, such as signs, patio umbrellas, ceramic draught beer towers, mirrors, menu boards, etc., to bars, pubs, restaurants and licensee retail stores for a specific time identified in a buy-sell agreement. (You may sell glassware with your name or brand to a licensed establishment at fair market value at any time, without a buy-sell agreement.)

You may also provide bars, pubs, restaurants and licensee retail stores with temporary display structures and related promotional displays or items. (These displays and items remain your property.) And you may give T-shirts, hats and other promotional clothing items with your name or brand on them to bars, pubs, restaurants and licensee retail stores to give away to their customers.

All displays and promotional items must be individually listed in your buy-sell agreement. The agreement must also identify a specific time for the loan or promotion (six months, for example), and you must remove all promotional materials at the end of the identified time period.

### Value-added promotional materials for licensee retail stores (that you are not also supplying to government liquor stores)

You may provide value-added promotional items to licensee retail stores that you are not also supplying to government liquor stores, without Liquor Distribution Branch approval (but with a buy-sell agreement), provided the items do not contain liquor. (Please see the earlier section on *Value-added promotional materials approved for government liquor stores* for further rules about value-added promotional materials.)



### Theme nights at a bar or pub

A theme night is an opportunity for you to work in collaboration with a liquor-primary establishment (a bar or a pub) to promote the sale of a particular product. Theme nights are not allowed at food-primary establishments, or on college or university campuses.

There are no limits on the number of theme nights you can hold, and you may include festive activities, such as games or prizes, in your theme nights.

If you and a licensed establishment agree to put on a theme night:

- You must ensure the event has an educational component, such as messages on the consequences of drinking and driving.
- The bar or pub must have food available for its patrons at all times during the theme night.
- If samples are provided, you must:
  - be present in the bar or pub during at least part of event to make the offer or invitation to taste (not the bar staff)
  - purchase all sample products from the bar or pub
  - do the dispensing, if a special service area is set up specifically for the event (if the samples are served using the establishment's usual facilities, the establishment's staff must dispense the product)
  - serve the samples individually (you may not serve them by the tray load).
- The bar or pub must issue (and you must retain) a countersigned receipt for the dollar value of the total amount of liquor and/or food purchased.

#### Maximum sample quantities per patron at a theme night:

	SINGLE PRODUCT	MULTIPLE PRODUCT
Spirits	10 ml.	20 ml.
Beer/Cider/ Coolers/Wine	30 ml.	45 ml.

The quantities for multiple product tasting apply only where you are presenting more than one product at a single tasting. The quantity for multiple products is a total of all products offered. For example, if you present three kinds of beer, you may offer a maximum quantity of 15 ml. of each to taste.

- The liquor manufacturer or agent may provide inexpensive forms of entertainment during the theme night, such as games. (Payment for more expensive forms of entertainment – live performers or DJs, for example – is prohibited unless approved by the general manager.)
- If you provide games, contests and prizes as part of the theme night:
  - you must record the name of anyone who wins a prize valued at over \$100.00
  - prizes may have your name or brand on them (unless the general manager directs otherwise)
  - prizes may not be liquor or drinks containing liquor
  - patrons must not be required to buy or drink an alcoholic beverage to participate, and
  - gambling is prohibited.
- Liquor licensees, their employees and their immediate family members are not eligible to enter or win a contest.
- The licensed establishment may not charge you a fee for conducting the theme night event, but you may pay the licensed establishment a tip or gratuity – provided it does not exceed 15 per cent of the total amount of liquor and/or food purchases noted on the countersigned receipt issued by the licensee at the end of the event.
- The bar or pub may offer "special" theme night prices on your liquor products, provided the prices are not lower than Liquor Distribution Branch prices and do not encourage over-consumption. You may not subsidize the price of the products in any way, such as by paying the difference between the normal selling price of a product and its special price.
- You may advertise the theme night both on-site and off-site, provided you follow the advertising rules (see the chapter on *Advertising Your Products* for more information).
- For a theme night only, you may provide clothing such as T-shirts or other novelty items identifying your liquor brand(s) or company to be worn by the licensed establishment's staff.

### Joint promotions/brewmaster's dinners

You may enter into a joint promotion with a food-primary or liquor-primary establishment to feature your products during a special event, such as a brewmaster's dinner, provided the event includes a full meal and the licensed establishment purchases the liquor served at the event from its regular Liquor Distribution Branch liquor store or other designated outlet.

You and the licensed establishment may advertise the event. There are no limits to the number of joint promotions you may hold.

### Contests (that are not running in government liquor stores)

You may hold contests in conjunction with bars, pubs, restaurants and licensee retail stores that are not running in government liquor stores, provided you document them in a buy-sell agreement and follow the Liquor Distribution Branch guidelines outlined in their booklet, *The Beverage Alcohol Promotions Program for B.C. Liquor Stores*.

You must conduct all contests, install all promotional items, and remove all promotional items within 10 days after the contest has ended.

You may include contest entry forms in your print ads, and may mention where entry forms are available in any of your advertising.

### Sponsorships

You may sponsor licensee-associated sports teams, tournaments, or events at:

- unlicensed venues, or
- licensed:
  - sports stadiums
  - recreational centres (including ski hills, racquet clubs and bowling alleys)
  - concert halls
  - university or cultural centres.

These events must be time-limited and not part of an on-going relationship with the licensed establishment. You must notify the branch, in writing, at least 14 days before any sponsored activity or event takes place if the sponsorship is for more than \$1,500 or it involves a licensed establishment.

These events must be covered under a buy-sell agreement. If you are sponsoring an event at a licensed venue (a concert hall for example), you and the licensee must sign the buy-sell. If the event also involves a licensed establishment (a local restaurant), you and the licensed establishment must sign a separate buy-sell agreement.

### Educational events and activities

You may invite other licensees to educational events or activities – such as an all-day "beer school" – designed to improve their knowledge of your products or their ability to sell your products.

You may pay for legitimate travel, meal, accommodation, and entertainment expenses associated with the educational event, up to \$1,000 per licensee location per year. Where a licensee has multiple licensed establishments – a chain of restaurants, for example – you may also pay expenses of \$1,000 per person to a maximum of \$3,000 per licensee head office per year.

### Hospitality

You may pay a licensee for costs not associated with an educational event, up to \$1,000 per licensee location per year, in addition to any in-province travel costs related to the event. (You may provide nominal hospitality without a buy-sell agreement, if it doesn't exceed \$25.)

## **Promoting Your Products With Other Licensees: A Summary** (Please review chapter for exact details)

### **Activities not permitted**

You may not:

- Offer a benefit, including money, items, products or services that are necessary for the operation of a bar, pub, restaurant or licensee retail store, for selling your liquor products.

### **Activities permitted at any time, without a buy-sell agreement:**

Without a buy-sell agreement you may:

- Provide another licensee with promotional items of nominal value, such as coasters or tent cards.
- Sell promotional items, such as shirts, caps or key chains with your brand or logo, to licensees at fair market value for them to re-sell to their customers.
- Offer value-added promotions in licensee retail stores that are running concurrently in government liquor stores
- Provide product vouchers that are redeemable at licensee retail stores.
- Visit a bar, pub or restaurant and purchase drinks for patrons.
- Offer product samples to a bar, pub, restaurant or licensee retail store.
- Conduct consumer tastings at a restaurant or licensee retail store.
- Cover the cost of nominal hospitality worth up to \$25, at any one time, per licensee.
- Conduct a contest with a bar, pub, restaurant or licensee retail store, provided you are also running the same contest at the same time in government liquor stores.

### **Activities permitted with a buy-sell agreement only:**

With a buy-sell agreement you may:

- Loan licensees more expensive promotional items, such as signs, umbrellas, mirrors or menu boards, and temporary display structures and related promotional items.
- Offer licensees T-shirts, hats and other promotional clothing items that they may give away to their customers.
- Hold a joint promotion (such as a brewmaster's dinner) with a bar, pub or restaurant.
- Hold theme nights at a bar or pub.
- Conduct a contest with a bar, pub, restaurant or licensee retail store that is not also running in government liquor stores (provided you follow Liquor Distribution Branch guidelines).
- Sponsor events or activities at licensed sports stadiums, recreational centres, concert halls, university or cultural centres.
- Put on educational events and activities for other licensees, and pay travel and other costs.
- Pay a licensee for hospitality costs not associated with an educational event or activity.

# Inspections

## Why We Inspect Breweries and Distilleries

Branch liquor inspectors conduct unannounced inspections of manufacturing facilities to make sure licensees are following the Act and Regulations and their licence terms and conditions, and to make sure there are timely consequences when they don't.

In addition, a liquor inspector may conduct an inspection:

- in response to a complaint from a member of the public, another licensee, a local government/First Nation, police or any other agency, or
- to follow-up on a Licensed Premises Check (LPC) issued by a police officer.

## Entry of Liquor Inspectors and Police Officers

You must give liquor inspectors and police officers immediate access to all areas of your business on request. It is a serious contravention to refuse or delay providing access to an inspector or police officer, and may result in your liquor licence being cancelled.

## Keeping and Producing Documents and Records

If you have a brewery/distillery licence and/or an agent's licence, you must allow the general manager (or a designated person such as a liquor inspector) to inspect documents and records associated with your business, including:

- liquor product sales, purchase and disposal records
- sales records, invoices and purchase receipts
- lease and management contracts related to your manufacturing facility
- employee records,
- any court orders or judgments against you, and
- any agreements and contracts between you and another licensee, such as a buy-sell agreement.

# Enforcement

## Contravention Notice

If a liquor inspector believes that you or your staff are contravening the Act, its Regulations or the terms and conditions of your licence, the inspector must issue a Contravention Notice to you, that identifies the alleged contravention.

The inspector will then review the evidence and circumstances of the contravention in conjunction with the Liquor Control and Licensing Branch's file for your establishment. Based on that review, the inspector will decide whether to recommend that the general manager take enforcement action against you, as the licensee.

If the inspector does not recommend enforcement action, he or she will keep the Contravention Notice in the branch's file on your establishment, and may require you to attend a Compliance Meeting.

### Please note:

As a licensee, you are legally responsible for understanding and complying with the requirements of the Act, its Regulations and the terms and conditions of your licence, and for any contraventions committed against your licence.

You are also responsible for making sure your employees follow B.C.'s liquor laws and the terms and conditions of your licence, even when you are not on site.

As the licensee, you are responsible for any contraventions against your licence.

## Compliance Meeting

A compliance meeting is a meeting between you and the inspector – and possibly others, such as members of your staff, local police, government and fire officials.

The purpose of the meeting is to promote voluntary compliance with the liquor licensing rules and to assist you in anticipating, and creating solutions for, potential problems. The inspector will prepare a written record of what is discussed including any procedures you intend to put in place to deal with the problem, and when they will come into effect. Once you and the inspector have signed it, you will receive a copy, and a second copy will be placed in your establishment's file.

Compliance meetings are not a required step before the branch takes enforcement action.

## Notice of Enforcement Action

If a liquor inspector recommends enforcement action, and his or her regional manager concurs, you will receive a Notice of Enforcement Action. The Notice of Enforcement Action will include the details of the allegation, the proposed penalty, why the branch is recommending enforcement action, and the reasons for recommending this particular penalty.

You have the option of disputing the branch's allegations at an enforcement hearing or signing a waiver notice.

## Waiver

Signing a waiver means that you

- agree that the contravention occurred,
- accept the penalty proposed in the Notice of Enforcement Action,
- waive the opportunity for an enforcement hearing, and
- agree that the contravention and penalty will form part of the compliance history of the licence and the licensee.

You may sign a waiver at any time prior to the hearing.

## Pre-hearing Conference

After receiving the Notice of Enforcement Action, you will be asked to participate in a pre-hearing telephone conference conducted by the branch's registrar of enforcement hearings. At the pre-hearing conference, the registrar will:

- obtain your response to the allegations and determine if an enforcement hearing is required
- clarify the issues that will be addressed at the enforcement hearing
- identify and discuss the evidence that both you and the branch plan to present at the enforcement hearing (this includes the names of any witnesses who will testify on your or the branch's behalf)
- arrange for the branch and you to exchange copies of any documents or other evidence that will be introduced at the hearing
- explain the enforcement hearing process
- set a date for the enforcement hearing.

If you do not participate in the pre-hearing conference, you may lose the opportunity for an oral hearing, and the general manager may make a decision based on the written submissions only.

## Enforcement Hearing

Enforcement hearings may be conducted in-person, via teleconference, written submission, or any combination of these.

At an enforcement hearing, an adjudicator, who is a delegate of the general manager, will consider the evidence and argument presented by you and the branch. The adjudicator will decide whether the alleged contravention(s) occurred and what enforcement action, if any, is warranted. The adjudicator issues a written decision several weeks after the hearing.

### Note:

You may represent yourself at a hearing, be represented by a lawyer or you may be represented by someone with written authority to act on your behalf.

## Possible Enforcement Action

If the adjudicator decides the contravention occurred, they may

- suspend the liquor licence for a period of time
- impose a monetary penalty
- cancel a liquor licence
- impose, rescind or amend the terms and conditions of a licence, and
- order a licensee to transfer a licence.

If the adjudicator finds that either a licence suspension or monetary penalty is warranted, they may not impose a penalty less than the minimums set out in Schedule 4 of the Regulation. They may impose higher penalties when it is in the public interest to do so. They are not bound by the penalties proposed in the Notice of Enforcement Action.

The type of enforcement action imposed will depend on a number of factors, including the nature of the contravention, the circumstances of the contravention, your establishment's compliance history, and your compliance history as a licensee.

Any enforcement action imposed will form part of the compliance history of the licence and the licensee.

## Judicial Review

If you are dissatisfied with an enforcement hearing decision, you may apply to the B.C. Supreme Court for a judicial review.



# APPENDIX 1

## Penalty Schedule

### Schedule 4

### Enforcement Actions

#### Interpretation

#### 1 (1) For the purposes of this Schedule,

- (a) a contravention is of the same type as another contravention if each contravention is described by the same Item of this Schedule, and
  - (b) a contravention by a licensee is
    - (i) a first contravention if the contravention was committed at or in respect of an establishment and the licensee has not committed a contravention of the same type at or in respect of that establishment within the 12 month period preceding the commission of the contravention,
    - (ii) a second contravention if the contravention was committed at or in respect of an establishment and the licensee has committed one contravention of the same type at or in respect of that establishment within the 12 month period preceding the commission of the contravention, and
    - (iii) a subsequent contravention if the contravention was committed at or in respect of an establishment and the licensee has committed a second contravention of the same type at or in respect of that establishment within the 12 month period preceding the commission of the contravention.
- (2) In section 20 (1) (c.1) of the Act and in Item 13 of this Schedule, "**reasonable measures**" means, in respect of a licensee, measures that are
- (a) reasonable in the circumstances, and
  - (b) reasonably within the capacity of the licensee to effect.

Item	Contravention	Period of Suspension (Days)			Monetary Penalty
		First Contravention	Second Contravention	Subsequent Contravention	
OPERATING OUTSIDE OF LICENCE PURPOSE					
1	Operation of a licensed establishment in a manner that is contrary to the primary purpose of the licence	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
MINORS					
2	A breach of section 33 of the Act [Selling liquor to minors]	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
3	A breach of section 35 of the Act [Minors on licensed premises]	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 500
4	Rescinded (February 2007) <del>A breach of section 46(2) of the regulation (Failure to require identification from persons appearing to be under 34)</del>	—	—	—	—
GAMBLING					
5	A breach of section 36(2)(a) of the Act by authorizing or permitting gambling in the licensed establishment	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
6	A breach of section 36(2)(c) of the Act by authorizing or permitting a device used for gambling to be placed, kept or maintained in the licensed establishment	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
DISORDERLY OR RIOTOUS CONDUCT					
7	A breach of section 36(2)(a) of the Act by authorizing or permitting, in the licensed establishment, drunkenness or violent, quarrelsome, riotous or disorderly conduct	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
8	A breach of section 36(2)(b) of the Act by authorizing or permitting, in the licensed establishment, any unlawful activities or conduct	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
INTOXICATED PERSONS					
9	A breach of section 43(1) of the Act by selling or giving liquor to an intoxicated person or a person apparently under the influence of liquor	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
10	A breach of section 43(2)(a) of the Act by permitting a person to become intoxicated	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
11	A breach of section 43(2)(b) of the Act by permitting an intoxicated person to remain in that part of the licensed establishment where liquor is sold or served	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000

Item	Contravention	Period of Suspension (Days)			Monetary Penalty
		First Contravention	Second Contravention	Subsequent Contravention	
WEAPONS					
12	A breach of section 47 of the Act [ <i>Licensee's duty - dangerous weapons</i> ]	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
LICENSEE RESPONSIBLE FOR DISTURBANCE OF PERSONS IN THE VICINITY					
13	A failure to take reasonable measures to ensure that the operation of the licensed establishment is not contrary to the public interest and does not disturb persons in the vicinity of the establishment	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
OVERCROWDING					
14	Permitting more persons in the licensed establishment than the patron or person capacity set by the general manager and the number of persons in the licensed establishment in less than or equal to the occupant load	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
15	Permitting more persons in the licensed establishment than the patron or person capacity set by the general manager and the number of persons in the licensed establishment is more than the occupant load	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
ILLICIT LIQUOR					
16	A breach of section 38 of the Act [ <i>Unlawful sale of liquor</i> ]	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
17	A breach of section 38.1 of the Act [ <i>Unlawful to dilute or adulterate liquor</i> ]	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
18	A breach of section 39 of the Act [ <i>Unlawful purchase of liquor</i> ]	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
19	A breach of section 35(3) of this regulation by failing to keep and maintain a register of all liquor purchased and received	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
20	A breach of section 35(1) of the regulation by purchasing liquor other than from a liquor store designated in writing by the general manager or designated by the Liquor Distribution Branch, or without identifying the licensee as a licensee	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
21	A breach of section 36 of this regulation by selling or providing under one licence liquor that is purchased under another licence without authorization of the general manager	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000

Item	Contravention	Period of Suspension (Days)			Monetary Penalty
		First Contravention	Second Contravention	Subsequent Contravention	
LIQUOR SERVICE					
22	A breach of section 43 of this regulation by the licensee failing to complete the required training program	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
23	A breach of section 43 of this regulation by a manager or server failing to complete the required training program	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
24	A breach of section 44 (1)(a) of this regulation by a licensee with a liquor primary licence or liquor primary club licence failing to clear the licensed establishment of patrons within ½ hour after the time stated on the licence for the hours of liquor service, or other time authorized by the general manager	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
25	A breach of section 44(1)(b) of this regulation by a licensee with a food primary licence failing to ensure that liquor is taken from patrons within ½ hour after the time stated on the licence for the hours of liquor service, or other time authorized by the general manager	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
26	A breach of section 44(3) of this regulation by allowing a person to consume liquor in the licensed establishment beyond ½ hour after the time stated on the licence for the hours of liquor service, or other time authorized by the general manager	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
27	A breach of section 42(3) of this regulation as a result of an employee or the licensee consuming liquor while working on the licensed premises	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
28	A breach of section 42(2) of this regulation by permitting liquor not purchased from the licensee to be consumed in the licensed establishment	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
29	A breach of section 42(4) of this regulation by permitting liquor sold in the licensed establishment to be taken from the establishment	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
30	A breach of section 41(2) of this regulation by providing unlimited or unspecified quantities of liquor for a single price, using a sales strategy that is likely to promote or encourage intoxication, or altering the price of liquor during a day after it has been set for that day	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
PRODUCTION OF RECORDS					
31	A breach of section 73 (1) (a), 73 (2) (a) or 73 (2) (b) of the Act [ <i>Failure to produce a document or record or thing</i> ]	10 - 15	20 - 30	30 - 60	\$7 500 - \$ 10 000

Item	Contravention	Period of Suspension (Days)			Monetary Penalty
		First Contravention	Second Contravention	Subsequent Contravention	
ADVERTISING					
32	A breach of section 49 of the Act [ <i>Display of signs</i> ]	1 - 3	3 - 6	6 - 9	\$1 000 - \$ 3000
33	A breach of section 51.1 of the Act [ <i>Advertising liquor</i> ] or section 58 of this regulation	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
ENTERTAINMENT					
34	Permitting in the licensed establishment entertainment by one or more exotic dancers or strippers that is prohibited or restricted under section 50 of the Act	4 - 7	10 - 14	18 - 20	\$5 000 - \$ 7 000
35	Permitting in the licensed establishment any other entertainment that is prohibited or restricted under section 50 of the Act	1 - 3	3 - 6	6 - 9	\$1 000 - \$ 3000
LICENSING CONTRAVENTION					
36	A breach of section 15 (2) of the Act [ <i>Failure to disclose a material fact or false or misleading statement in application</i> ]	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
37	A breach of section 18 of the Act [ <i>Tied houses</i> ] by failing to disclose to the general manager the information that must be disclosed under that section	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
38	A breach of section 19 (3) of the Act by transferring shares of the licensee's capital stock without first receiving the general manager's approval for that transfer	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
39	A breach of section 7 of this regulation by making structural alteration of or change to the size of any area of the licensed establishment without first receiving the written permission of the general manager	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
INDUCEMENTS					
40	A breach by the licensee or an employee of the licensee of section 45 of the Act [ <i>Licensee not to give or accept gifts for promoting liquor</i> ]	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000

Item	Contravention	Period of Suspension (Days)			Monetary Penalty
		First Contravention	Second Contravention	Subsequent Contravention	
PROMOTIONAL ACTIVITY					
40.1	A breach of section 50.1(3)(d) of this regulation by engaging in promotional activity if that promotional activity is required to be, but is not, documented in an appropriate buy-sell agreement	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000
U-BREW/U-VIN					
41	A breach of section 23 of this regulation by failing to ensure that the customer performs the listed tasks	4 - 7	10 - 14	18 - 20	\$5 000 - \$7 000
42	A breach of section 22 [ <i>Payment, acknowledgment and invoice required</i> ], 24 [ <i>Licensee or employee production</i> ], 25 [ <i>Storage requirements</i> ], 26 [ <i>No consumption other than tasting</i> ], 27 [ <i>Customer required to bottle own product</i> ], 28 [ <i>Removal of finished product required</i> ], 30 [ <i>Minors</i> ], 31 [ <i>Record keeping and reporting requirements</i> ], 32 [ <i>Advertisements</i> ] or 33 [ <i>Hours of operation</i> ] of this regulation	1 - 3	3 - 6	6 - 9	\$1 000 - \$ 3000
43	A breach of section 29 of this regulation by failing to ensure that beer, wine or cider is not kept, offered or produced for sale at a U-Brew or U-Vin	10 - 15	20 - 30	30 - 60	\$7 500 - \$10 000
DEFAULT IN MONETARY PENALTIES					
44	A breach of section 20 (2.6) of the Act [ <i>Failure to pay monetary penalty within 30 days or period specified by the general manager</i> ]	10 - 15	20 - 30	30 - 60	
OTHER					
45	A breach of section 20 of the Act by permitting the sale, service or consumption of liquor while the licensee's licence is under suspension, or A breach of section 67 (3) of the Act, by (a) obstruction or attempting to obstruct an entry or search by a peace officer under section 67 of the Act, or (b) refusing or failing to admit immediately a peace officer demanding entry anywhere under section 67 of the Act, or A breach of section 73 (1) (b) (ii) or (iii) of the Act by neglecting or refusing to allow storage premises or an establishment licensed under the Act to be inspected, or A breach of section 73 (2) (c) of the Act by neglecting or refusing to allow premises to be inspected	If the licence is not cancelled or transferred in accordance with section 69 of this regulation, at least 15 days			



Item	Contravention	Period of Suspension (Days)			Monetary Penalty
		First Contravention	Second Contravention	Subsequent Contravention	
GENERAL					
46	Any breach of any provision of the Act, the regulations or the terms and conditions of the licence not specifically referred to in Items 1 to 45	1 - 3	3 - 6	6 - 9	\$1 000 - \$3 000

# APPENDIX 2

## Making Changes to Your Liquor Licence

### Changes that Require Approval from the General Manager

#### Permanent change

You must apply for a permanent change if you want to:

- change the name of your business
- change anyone or any company – owners, directors, officers, partners, shareholders, corporations or holding companies
- transfer shares either externally to new shareholders, or internally between current shareholders, if you are a private corporation
- add a receiver or executor.

#### Structural change (manufacturers only)

You must apply for a structural change if you want to:

- change your floor plans
- change (or add to) the structure of your building

#### Transfer of location

You must apply for a transfer of location if you want to:

- re-locate your business

#### Third-party or resident manager change

You must apply for a third-party operator or resident manager change if you want to:

- change (or add) a third-party lessee or management firm operating within your licensed establishment
- change your resident manager, if you are a non-resident private corporation.

#### Temporary change

You must apply for a temporary change if you want to:

- make a change or changes for a relatively short period. These changes may include temporarily moving your business to another location entirely.
- host a special event at your manufacturing facility which may require de-licensing specific areas, applying for an extension of a sampling area, etc. (We encourage you to contact your local liquor inspector for more information.)

## Application Forms, Documentation and Other Required Approvals

The application form, documentation and approvals you will need depend on the type of change you are asking for. For example:

- To alter the structure or layout of your building, you will need an Application for a Structural Change, and to supply large scale floor plans.
- To change or add a third-party lessee or management firm, you will need an Application for a Third-Party Operator or Resident Manager, and to supply a range of company documents and a completed criminal record search form for each new person.
- To transfer shares, you will need an application for a Permanent Change to a Liquor Licence, and all shareholders will need to agree to a criminal record check.

The individual application forms explain the documentation and/or approvals required for each type of change. The Fee Schedule for Licence Changes lists the fee charged for each type of change.

### Application Forms:

Forms are available from the Liquor Control and Licensing branch:

#### WEB:

[www.gov.bc.ca/pssg](http://www.gov.bc.ca/pssg)

(look under "Liquor Licensing")

#### PHONE, toll-free:

1 866 209-2111

#### E-MAIL:

[lcib.lclb@gems4.gov.bc.ca](mailto:lcib.lclb@gems4.gov.bc.ca)

### Criminal record checks

Some changes will require that you consent to a criminal record check. To do so, you must complete both the Personal History Summary and Consent to Criminal Record Search form and the RCMP Consent for Disclosure of Criminal Record Information.

Applicants who have applied for a liquor licence and consented to a criminal record search within the previous 12 months are exempt, unless requested to consent to another search by the general manager.

Applicants living outside of Canada, refugees and permanent residents who have been in Canada for less than five years and anyone who has been charged or convicted of a crime must also provide a statutory declaration – signed by a lawyer, Notary Public, or Commissioner for Taking Affidavits – stating that they have not been charged or convicted of a crime, or providing details of any past charges, convictions or sentences. In addition, permanent residents who have been in Canada less than five years must attach a copy of their "Record of Landing" (Form IM1000, Permanent Resident Card or equivalent documentation) as provided by Citizenship and Immigration Canada when they entered the country.

Once we have the required documents, we will send them on to the RCMP. They will check the person's name and birth date and other information against criminal records across Canada, and report back to us with the final results:

- If the search reveals no criminal record, we will continue to process your change request.
- If the RCMP are unable to confirm the information you provided on the statutory declaration, and the search reveals a possible relevant criminal record, we will ask the applicant to go to the local police or RCMP station to provide fingerprints. (The police may charge a fee for this service.) Specially trained analysts will compare these fingerprints to the prints associated with the criminal record.

Even if it turns out that an applicant does have a criminal record, however, it does not mean we will automatically turn down the application. We will look carefully at the circumstances of the individual case – the severity of the crime and when it was committed, for example, and what the applicant has done to change his or her behaviour since then – and how the type of crime committed relates to the responsibilities that go with holding a liquor licence.

# APPENDIX 3

## CRTC Code For Broadcast Advertising of Alcoholic Beverages

Commercial messages for alcoholic beverages shall not:

- attempt to influence non-drinkers of any age to drink or purchase alcoholic beverages;
- be directed at persons under the legal drinking age, associate any such product with youth or youth symbols, or portray persons under the legal drinking age or person who could reasonably be mistaken for such persons in a context where any such product is being shown or promoted;
- portray the product in the context of, or in relation to, an activity attractive primarily to people under the legal drinking age;
- contain an endorsement of the product, personally or by implication, either directly or indirectly, by any person, character, or group who is or is likely to be a role model for minors because of a past or present position of public trust, special achievement in any field of endeavour, association with charities and/or advocacy activities benefiting children, reputation or exposure in the mass media;
- attempt to establish the product as a status symbol, a necessity for the enjoyment of life or an escape from life's problems, or attempt to establish that consumption of the product should take precedence over other activities;
- imply directly or indirectly that social acceptance, social status, personal success, or business or athletic achievement may be acquired, enhanced, or reinforced through consumption of this product;
- imply directly or indirectly that the presence or consumption of alcohol is, in any way, essential to the enjoyment of an activity or an event;
- portray any such product, or its consumption, in an immoderate way;
- exaggerate the importance or effect of any aspect of the product or its packaging;
- show or use language that suggests, in any way, product misuse or product dependency, compulsive behaviour, urgency of need or urgency of use;
- use imperative language to urge people to purchase or consume the product;
- introduce the product in such a way or at such a time that it may be associated with the operation of any vehicle or conveyance requiring skill;
- introduce the product in such a way or at such a time as may associate the product with any activity requiring a significant degree of skill, care or mental alertness or involving an obvious element of danger;
- contain inducements to prefer an alcoholic beverage because of its higher alcoholic content;
- refer to the feeling and effect caused by alcohol consumption or show or convey the impression, by behaviour or comportment, that the people depicted in the message are under the influence of alcohol;
- portray persons with any such product in situations in which the consumption of alcohol is prohibited; or
- contain scenes in which any such product is consumed, or that give the impression, visually or in sound, that it is being or has been consumed.

# APPENDIX 4

## Sample Buy-Sell Agreement

### BUY-SELL AGREEMENT

#### BETWEEN

**Parties:** \_\_\_\_\_ and \_\_\_\_\_  
Liquor Manufacturer/Agent Licensee  
(licence name as shown on face of licence) (licence name as shown on face of licence)  
\_\_\_\_\_  
Liquor Manufacturer/Agent Licence Number Licensee Licence Number

**Purpose:** The contractual obligations stated below are agreed to and will be adhered to by both Parties throughout the duration of this agreement.

**Duration** (must not exceed 36 months):

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

#### Terms Agreed to by Licensee:

1. \_\_\_\_\_ hereby agrees to:  
Licensee

##### A. Purchase or order over the duration period:

Product Name	UPC	Size	Quantity/Volume

##### B. Placement of promotional items, product displays, point-of-sale or similar material:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ over the duration period.

#### Terms Agreed to by Liquor Manufacturer/Agent:

2. In return for the considerations noted above \_\_\_\_\_ agrees to:  
Liquor Manufacturer/Agent

##### A. Provide (promotional items such as mirrors, ceramic draft beer towers, menu boards, patio umbrellas, or T-shirts, hats, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ RETAIL VALUE: \$ \_\_\_\_\_

B. Conduct (theme night or manufacturer's dinner contest):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
RETAIL VALUE: \$ \_\_\_\_\_

C. Implement Value-Added Promotions (on-packs, in-packs, near-packs, or coupons):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
RETAIL VALUE: \$ \_\_\_\_\_

D. Other (educational events or activities):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
RETAIL VALUE: \$ \_\_\_\_\_

**Conditions and Understanding:**

Promotional activities must be directed to the consumer and promotional items must be provided to or be for the principal benefit of patrons.

This Agreement shall not exclude, restrict or otherwise prohibit the licensee from carrying, selling, or displaying the products of any other liquor manufacturer/agent.

Both Parties agree to maintain, on site, certifiable copies of this Buy-/Sell Agreement and any related documents for two years after their expiry date. All such documents must be available and provided, without delay, when requested by the general manager of the Liquor Control and Licensing Branch.

Buy-Sell Agreements must not exceed 36 months in duration.

Value-added items may not exceed 20% of the retail price of the liquor item being promoted.

The names of recipients of prizes over \$100 must be recorded and retained with this agreement.

Despite any provision in this agreement to the contrary, the Parties agree not to engage in any promotional activity that is not, or that ceases to be, authorized under one or more of:

- a. The Liquor Control and Licensing Act
- b. The Liquor Control and Licensing Regulation
- c. The terms and conditions to which one or more of the parties are subject to under licence from the Liquor Control and Licensing Branch.

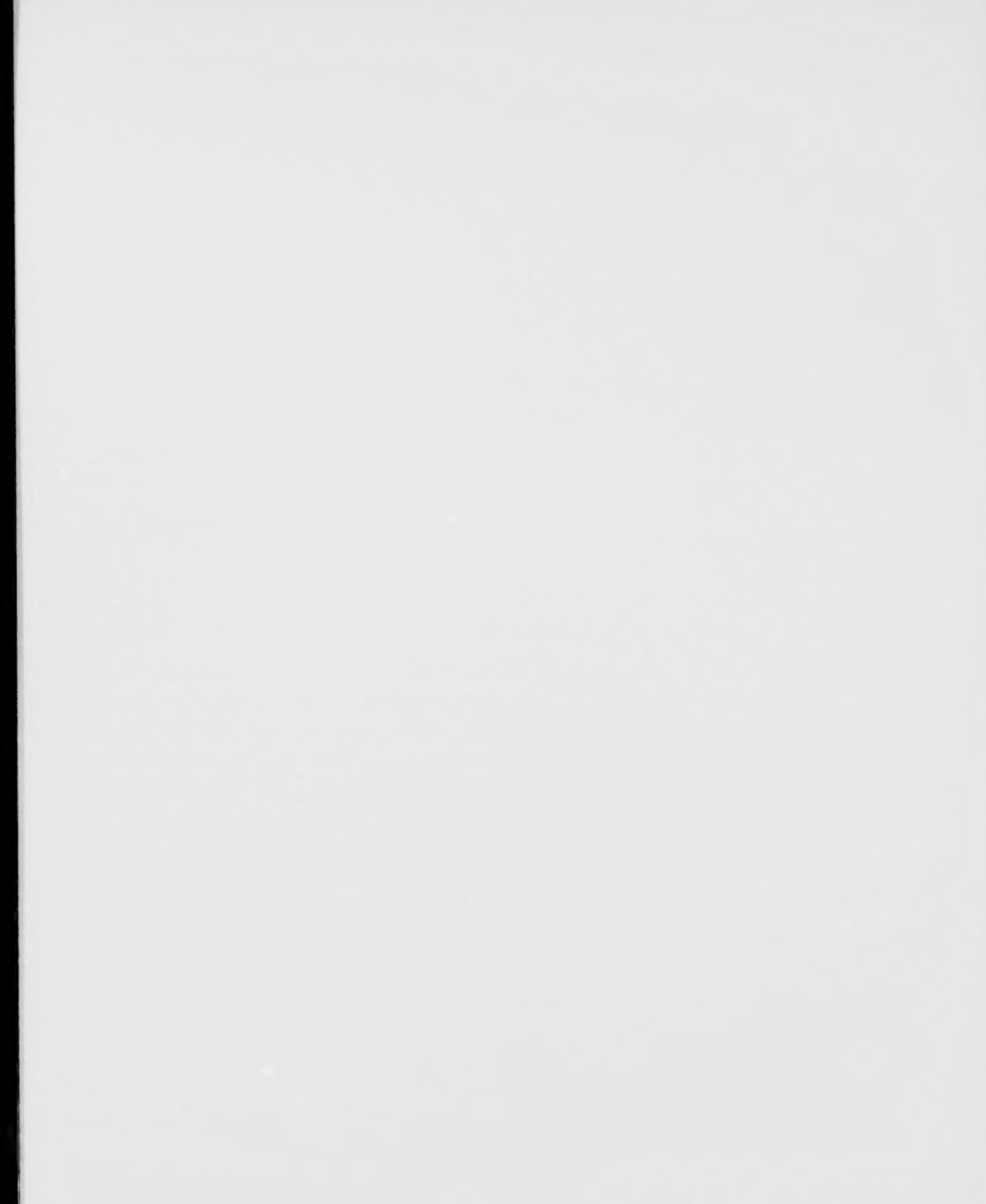
**This Agreement and its contents have been read and are fully understood.**

**Authorized Signatory:**

_____ and _____	
Liquor Manufacturer/Agent Name	Licensee (or manager)
_____	_____
Position or Title	Position or Title

Dated this \_\_\_\_ day of \_\_\_\_\_ 2\_\_ \_\_ at \_\_\_\_\_, British Columbia.







PSSG-07003  
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